

State 04193 telegram
Begin Quote.

1. I believe in starting off the new millennium on a positive note with some good news. I congratulate the Family Liaison Office and the Office of Legal Affairs for drafting a revision to 6 FAM 720 governing the use of government housing. This revision will benefit family members who wish to work out of their USG leased or owned properties.

2. Employment for family members affects the recruitment and retention of employees in the Foreign Service, and we are serious about addressing this issue. While we continue to look at ways to increase family member employment opportunities within our embassies, we are aware that we cannot accommodate the wide variety of professional skills and interests that our family members brings to posts. This revision provides another outlet. While there are still some requirements that must be met, and these are spelled out below, I want to encourage Embassy management to facilitate the use of USG property for family members who have skills which can best be utilized in a home-based business setting.

3. Can a spouse set up a business in any country? Conducting a business will normally require that a bilateral or defacto work arrangement is in place. A local business would also be subject to local taxes.

4. The new text is available on the intranet on the Directives Management Homepage (<http://99.1.1.27/>). For immediate information, the text of 6 FAM 725.7 follows:

6 FAM 725.7 Businesses (Uniform State/USAID/Commerce/Agriculture/DIA)

"A. The Department fully supports the desire of many spouses and family members to secure employment while posted abroad. Spouses and family members of employee occupants of U.S. Government-held or LQA/OHA housing may use the housing for the conduct of a private business for personal financial gain, provided that such conduct conforms to the provisions of paragraphs B or C in this section.

B. Such housing may be used for activities that foster cultural understanding between the embassy community and the local community and/or provide a benefit to mission employees or families, as determined by the Chief of Mission.

C. Such housing may be used for commercial activities if approved by the Chief of Mission or, in the case of an Ambassador's residence, by the relevant Regional Bureau Assistant Secretary in response to a written request. The Chief of Mission or Assistant Secretary shall approve such requests where:

(1) As set forth in 3 FAM 4125, the proposed activity would meet the following



standards:

It would not violate any law of the host country;



It would not require or entail a waiver of diplomatic privileges or immunities deemed unacceptably broad by the Chief of Mission or Assistant Secretary; and



It would not otherwise damage the interests of the United States as determined by the Chief of

Mission or Assistant Secretary;

(2) The Chief of Mission or Assistant Secretary, determines that the proposed activity is appropriate, taking into account local customs and norms, post security and other relevant considerations, and whether the activity would adversely affect the work of the post;

(3) The proposed activity does not require substantial use of the housing by non-U.S. Government employees and their families (e.g., retail sales from a residence would not be permitted, but individual piano lessons or tutoring may be in appropriate cases) or, in the case of use of the Ambassador's Residence, the proposed activity does not involve any use of the residence by non-U.S. Government employees and their families;

(4) If determined to be necessary by the Administrative Officer at post to protect the Department from significantly increased risk of liability, the occupant obtains liability insurance covering the proposed use or presence in the residence by non-U.S. Government employees and their families;

(5) The Chief of Mission or Assistant Secretary determines that the proposed commercial activities of the spouse or family member would not create a conflict or appearance of conflict of interest with the U.S. Government employee's duties; and

(6) The person who will conduct the commercial activities provides assurances that the business will comply with all relevant local legal requirements (e.g., licenses, work permits, and similar regulations).

D. If any commercial activity approved under either paragraphs B or C in this section causes increased operating or continuing maintenance costs to the U.S. Government, the occupant must pay the increased costs attributable to such use. Costs for installation of any equipment as well as for returning the property to former condition are borne by the occupant. In addition, notwithstanding paragraphs B and C in this section, under no circumstances will a commercial activity be approved that requires the regular presence of employees of the spouse or family member in the residence. Finally, the Chief of Mission or the Assistant Secretary may at any time revoke approval of a commercial activity approved pursuant to this section, if any of the standards set forth above are no longer met."

End Quote.